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UNCLAS SECTION 01 OF 02 THE HAGUE 001487

SIPDIS

STATE FOR AC/CB, NP/CBM, VC/CCB, L/ACV, IO/S  
SECDEF FOR OSD/ISP  
JOINT STAFF FOR DD PMA-A FOR WTC  
COMMERCE FOR BIS (GOLDMAN)  
NSC FOR JOECK  
WINPAC FOR LIEPMAN

E.O. 12958: N/A

TAGS: PARM PREL CWC

SUBJECT: CHEMICAL WEAPONS CONVENTION (CWC): WEEKLY WRAP-UP  
FOR JUNE 11, 2004

This is CWC-72-04.

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FINANCIAL REGULATIONS  
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¶11. (U) At the June 10 consultation chaired by facilitator Peter van Brakel (Canada), agreement was reached on all of the outstanding issues. Most important for the U.S., there were no objections to the language concerning payment of Article IV/V invoices, as approved by Washington. South Korea noted it would need instructions; Japan said the language is under consideration in Tokyo; India said it had no instructions, but would recommend to New Delhi adoption of the text.

¶12. (U) This particular provision cites financial rules, and none of the rules have been adopted by the OPCW due to an inability to reach agreement on a small number of proposed rules. In addition, van Brakel noted that while financial regulations become effective when adopted by the CSP, financial rules become effective when adopted by the EC. Russia therefore requested, and all delegations agreed, that the language in the draft decision should note that the specific financial rule involved (5.4.01) should come into effect when financial regulation 5.4 is amended by the CSP.

¶13. (U) The following additional financial regulations and rules were amended, all in accordance with Washington instructions. The draft decision document will note that only the financial rules specified will be adopted:

-- Rule 7.1.01  
-- Rule 10.1.12  
-- Rule 12.2.01  
-- Regulation 2.2  
-- Regulation 5.1  
-- Regulation 5.4  
-- Regulation 5.6  
-- Regulation 6.2  
-- Regulation 6.3

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OPCW ANNUAL REPORT  
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¶14. (U) The June 10 informal consultations on the 2003 draft report generated a substantial number of requested editorial changes. All of the changes sought by Washington were accepted. Most of the proposed edits were non-substantive, and the document will be re-issued with changes. The only substantive request came from Russia, which sought deletion of a sentence in the introduction and paragraph 1.20 of the Verification section, arguing that the conversion of ten Russian CW production facilities had been completed.

¶15. (SBU) Verification Director Reeps stated that this would be discussed at the consultations on the Verification Implementation Report, adding that conversion of these ten facilities had to be certified and any outstanding questions resolved. During the subsequent VIR consultations on June 11, the Technical Secretariat produced a Corrigendum to the 2003 VIR in which the text in paragraph 5.4, line 3, page 30, was changed from "the others had yet to be converted." to "the others had yet to be certified as converted or to complete conversion". This Corrigendum is OPCW Highly Protected and has been DHL'd to AC/CB.

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OIO REPORT  
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¶16. (U) Facilitator Chiho Komuro (Japan) held her second consultation on the OIO Report on June 8. Much of the commentary from delegations did not focus on the report itself, but on the status of TS implementation of OIO recommendations. The German delegation led the questioning on the OIO comment that staff costs had not been correctly calculated. Budget advisor Ali Asghar said the problem had

been corrected and tried to explain how the calculations are made. However, the general consensus was that the explanation was not fully satisfactory. India noted the item in the report indicating there had been "personality clashes" within the budget section and asked if OIO had resolved the problem. OIO Director Louati replied that it was not the OIO's job to resolve such conflicts, but simply to bring them to light. He added that action to resolve the problem had been taken by the Director General.

¶ 17. (U) India noted that the report indicated there was no link between budget planning and the Medium Term Plan. Canada replied that the MTP should not be linked too closely to the budget. Switzerland then made the general point that it was important for the TS to have "serious" numbers for future budgets. There was also general commentary from Brazil, India and South Africa on the need for the TS to provide timely information on the status of implementation of OIO recommendations. Louati replied that the DG has asked OIO to report every month on the status of implementation. He then cautioned delegates by emphasizing that to the extent OIO staff are tasked with providing reports to SPs, that staff time is diverted from performing the actual assessments and evaluations.

¶ 18. (U) The U.S. praised OIO for highlighting last year the possible problems with certification of the Rijswijk laboratory. We noted that this is the type of proactive work that is valuable to the organization and the goal should be to identify and resolve looming problems, rather than find solutions after the fact. Louati commented that the OIO had simply highlighted the fact that implementation of the tenure policy might generate staffing problems which could affect lab accreditation, adding that the Dutch accreditation body will conduct an in-depth assessment on accreditation in November. He stressed that the Director General is working vigorously to address the issue of lab certification. Italy made a suggestion about possible use of temporary staff to ensure accreditation, but Louati and the French delegation said that they did not believe this was a good solution.

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#### ARTICLE X CONSULTATIONS

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¶ 19. (U) During the June 7 consultations on the format for Article X, para 4, delegations finally made it all the way through the document. There were no surprising proposals and delegations were well behaved. The facilitator (Gaby Kruger - UK) plans to rework the draft and provide delegations with a revised format by the beginning of July. She then plans to hold another round of consultations on the new draft in the fall. There will be an anodyne report made at the upcoming EC letting delegations know the status. Comments on the specific questions are below:

-- Questions 18/19: France, Iran, Russia, India all favor a more general approach. There was much consternation because the questions pertain to the military. Switzerland and Canada in an effort to no limit information provided, suggested adding a third box with a "do not want to answer for national security reasons" connotation. This idea was killed by Tunisia and Italy.

-- Questions 20/21: Iran finds the questions confusing and wants them deleted. Kruger and the UK delegate (Clive Rowland) both took stabs at explaining the questions without much avail.

-- Question 22: Italy and Russia both called for its deletion.

-- Question 23: France and Italy are concerned about the confidentiality of such information and believe the paragraph

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should be rephrased (no alternative was provided). South Africa chimed in and proposed deleting all of Part C and replacing it with the proposal from their draft. The agreement was that the facilitator would re-look at the language.

-- Questions 24-27: No comments by delegations,

¶ 110. (U) Javits sends.  
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